



**REAL ESTATE COMMISSION  
STATE OF HAWAII**

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
1010 Richards Street  
P. O. Box 3469  
Honolulu, Hawaii 96801

**CONDOMINIUM PUBLIC REPORT**

on

KINAU REGENT  
1314 Kinau Street  
Honolulu, Hawaii

Registration No. 1783

Issued: February 20, 1987  
Expires: March 20, 1988

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 4, 19 87 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

**Type of Report:**

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
  - Supersedes all prior public reports
  - Must be read together with \_\_\_\_\_
- SUPPLEMENTARY:** (pink) Updates information contained in the
  - Prelim. Public Report dated \_\_\_\_\_
  - Final Public Report dated \_\_\_\_\_
  - Supp. Public Report dated \_\_\_\_\_
- And  Supersedes all prior public reports
- Must be read together with \_\_\_\_\_
- This report reactivates the \_\_\_\_\_ public report(s) which expired on \_\_\_\_\_

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required                       Not Required -- disclosures covered in this report.

### Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

1. There has been a reduction of two (2) square feet of net living area for each type of apartment as shown in the revised Page 5 attached.
2. The mix of parking stalls has been materially changed as shown in the revised Page 12, revised Exhibit "3" and revised Exhibit "4" attached. In summary, Parking Stall nos. 1, 2, 3, 20 & 23 are now Common Elements of the Project. Revised Exhibit "3" now shows how these parking stalls may be dealt with by the Association of Owners. Parking Stall nos. 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 & 17, which were listed as "covered" stalls in the Preliminary Public Report, are now listed as "partially covered" stalls, together with Parking Stall nos. 24 & 25, as shown on the revised Page 12 attached.
3. Except for electricity, which still is shown as separately metered, all utilities, including TV cable, water and sewerage, are now shown as being commonly metered, as shown on the revised Page 16 attached.
4. Certain exterior details of the building, as shown on the condominium map which has been recorded, differ from the exterior details shown on the condominium map as submitted with the Preliminary Public Report, and prospective buyers should review the condominium map which has been filed with the Final Public Report on this project.
5. The Real Estate Commission has accepted Dillingham Corporation's bond on the basis of agreement by the lender that such bond is acceptable and the escrow agent's agreement that none of buyer's funds will be released from escrow prior to expiration of 45 days from the date a notice of completion has been filed except to parties who supplied materials on labor to the project upon such parties' presentation of appropriate lien waivers. To this extent, paragraph 5 of Exhibit 10 herein is modified.

## TABLE OF CONTENTS

	page
Report Purpose .....	1
Type of Report .....	1
Summary of Changes from Earlier Public Reports .....	2
Table of Contents .....	3
General Information on Condominiums .....	4
Summary of the Condominium Project .....	5
I. PEOPLE CONNECTED WITH THE PROJECT .....	6
Developer	
Real Estate Sales Agent	
Escrow Company	
Managing Agent	
Attorney for Developer	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration .....	7
B. Condominium Map (File Plan) .....	7
C. Bylaws .....	7
D. House Rules .....	8
E. Changes to Condominium Documents .....	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer .....	9
B. Underlying Land .....	10
C. Buildings and Other Improvements .....	10
D. Common Elements, Limited Common Elements, Common Interest .....	14
E. Encumbrances Against Title .....	15
F. Management of the Common Elements .....	15
G. Maintenance Fees .....	16
H. Utility Charges .....	16
I. Construction Warranties .....	16
J. Status of Construction .....	17
K. Project Phases .....	17
L. Sales Documents Filed with the Real Estate Commission .....	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE .....	18
Buyer's Right to Cancel Sales Contract .....	19
Signature of Real Estate Commission Chairman .....	20
EXHIBIT 1: Boundaries of Apartments	
EXHIBIT 2: Permitted Alterations	
EXHIBIT 3: Common Elements	
EXHIBIT 4: Limited Common Elements and Parking Stall Assignments	
EXHIBIT 5: Common Interest	
EXHIBIT 6: Encumbrances Against Title	
EXHIBIT 7: Estimate of Maintenance Fees	
EXHIBIT 8: Appliance, Warranties	
EXHIBIT 9: Sales Contract Summary	
EXHIBIT 10: Escrow Agreement Summary	

## GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the land, building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

### Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

**SUMMARY OF THE CONDOMINIUM PROJECT**

(cite to appropriate pages  
in text of report)

Interest to be Conveyed to Buyer:

Fee simple interest in the individual apartment and an undivided percentage interest in the common elements.

**Type of Project:**

1.  New Building(s)  Conversion  
 Both New Building(s) and Conversion
2.  Residential  Commercial  
 Mixed Residential and Commercial  
 Other \_\_\_\_\_
3.  High Rise (5 stories or more)  Low Rise
4.  Single or  Multiple Buildings
5. Apartment Description

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
A	5	2/2	714	--
AR	5	2/2	714	--
B	5	2/2	714	--
BR	5	2/2	714	--
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 20

\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>20</u>
Guest Stalls	<u>0</u>
Unassigned Stalls	<u>0</u>
Extra Stalls Available for Purchase	<u>0</u>
Other: <u>Common Elements</u>	<u>5</u>
<b>Total Parking Stalls</b>	<u>25</u>

7. Recreational amenities: None, except private garden.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: WCW Corporation Phone: 536-6046  
Name (Business)  
1821 Keeaumoku Street, #501  
Business Address  
Honolulu, Hawaii 96822

Names of officers or general partners of developers who are corporations or partnerships:

Wellington Wong, President  
Choi Yuk Wong, Sec./Treas.  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Sales Agent: Arthur Y. C. Wong Phone: 955-7585  
Name (Business)  
1507 S. King Street, Room 301A  
Business Address  
Honolulu, Hawaii 96814

Escrow: Long & Melone Escrow Phone: 531-3189  
Name (Business)  
333 S. Queen Street, Room 501  
Business Address  
Honolulu, Hawaii 96813

Managing Agent: Wellington Wong (Developer) Phone: 536-6046  
Name (Business)  
1821 Keeaumoku Street, #501  
Business Address  
Honolulu, Hawaii 96822

Attorney for Developer: George T. Okamura  
Name  
Suite 2700, 737 Bishop Street  
Business Address  
Honolulu, Hawaii 96813

**II. CREATION OF THE CONDOMINIUM;  
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Horizontal Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed  
 Recorded — Bureau of Conveyances — Book 20267 Page 425  
 Filed — Land Court — Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed  
 Recorded — Bureau of Conveyance Condo Map No. 1044  
 Filed — Land Court Condo Map No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed  
 Recorded — Bureau of Conveyances — Book 20267 Page 461  
 Filed — Land Court — Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed       Adopted

Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of apartment owners who must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	-	<u>-0-</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules: (a) after completion of construction of the Project described herein by attaching to such amendment a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, unit numbers and dimensions of the Residential Units, as built. (b) to grant, convey, modify, transfer, cancel, relocate, and otherwise deal with any and all utility and other easements now or hereafter located in the Project until the Association shall have been formed.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.



III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the underlying land will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit \_\_\_\_\_ contains further explanations.

Lease Term Expires: \_\_\_\_\_  
Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:    Monthly                                    Quarterly  
                                  Semi-Annually                                    Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  
 Month    Year.

- Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners -- tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit \_\_\_\_\_ contains further explanations.

Lease Term Expires: \_\_\_\_\_  
Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:    Monthly                                    Quarterly  
                                  Semi-Annually                                    Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  
 Month    Year.

- Other:

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is  
 Cancelled                                    Foreclosed.
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

**B. Underlying Land:**

Address: 1314 Kinau Street First Division  
Honolulu, Hawaii Tax Map Key: 2-4-11-28 and 105  
(TMK)

Address  TMK is expected to change because \_\_\_\_\_

Land Area: 13,500  square feet  acre(s) Zoning: A-2

Fee Owner: WCW Corporation  
name  
1821 Keeaumoku Street, #501  
address  
Honolulu, Hawaii 96822

Sublessor: \_\_\_\_\_  
name  
\_\_\_\_\_  
address  
\_\_\_\_\_

**C. Buildings and Other Improvements:**

1.  New Building(s)  Conversion of Existing Building(s)  
 Both New Building(s) and Conversion

2. Buildings: 1 Floors Per Building: 6  
 Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood  
 Other \_\_\_\_\_

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>20</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other:	_____		_____

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

[ X ] Pets: Domestic cats, dogs, birds, fish and aquatic animals

[ X ] Number of Occupants: 4 occupants maximum per unit

[ ] Other: \_\_\_\_\_

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 20

Elevators 1 Stairways 2 Trash Chutes \_\_\_\_\_

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
<u>A</u>	<u>5</u>	<u>2/2</u>	<u>714</u>	<u>-</u>
<u>AR</u>	<u>5</u>	<u>2/2</u>	<u>714</u>	<u>-</u>
<u>B</u>	<u>5</u>	<u>2/2</u>	<u>714</u>	<u>-</u>
<u>BR</u>	<u>5</u>	<u>2/2</u>	<u>714</u>	<u>-</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining floor area may have been used.

Boundaries of Each Apartment:

(Refer to Exhibit "1")

Permitted Alterations to Apartments:

(Refer to Exhibit "2")

7. Parking Stalls:

Total Parking Stalls: 25

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>partially covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>12</u>	<u>6</u>	<u>      </u>	<u>2</u>	<u>      </u>	<u>      </u>	<u>20</u>
Guest Unassigned	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Extra Available for Purchase	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Other:	<u>      </u>	<u>3</u>	<u>      </u>	<u>2</u>	<u>      </u>	<u>      </u>	<u>5</u>
Total Partially Covered & Open	<u>21</u>	<u>      </u>	<u>4</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

Each apartment will have the exclusive use of at least 1 parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[ X ] Exhibit 4 contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ X ] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Storage Area

[ ] Recreation Area

[ ] Laundry Area

[ ] Tennis Court

[ ] Trash Chute

[ ] Other: \_\_\_\_\_  
\_\_\_\_\_

9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

10. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	_____	_____	_____
Structures	_____	_____	_____
Lot	_____	_____	_____

If a variance has been granted or if uses, improvements, or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit "3" describes the common elements.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

[ ] There are no limited common elements in this project.

[ ] The limited common elements and the apartments which may use them are:

[ X] described in Exhibit "4"

[ ] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

[ ] Exhibit "5" describes the common interests for each apartment.

[ ] as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit "6" describes the encumbrances against the title contained in the title report dated January 14, 1987.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage, Security Agreement and Financing Statement	Buyer has opportunity to terminate sales agreement

F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[ ] not affiliated with the Developer.

[X] the Developer or the Developer's affiliate.

[ ] other \_\_\_\_\_

**G. Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit "7" contains a schedule of maintenance fees and maintenance fee disbursements.

**H. Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- |                                      |  |
|--------------------------------------|--|
| <input type="checkbox"/> Electricity | <input checked="" type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas         | <input checked="" type="checkbox"/> Water & Sewer    |
| <input type="checkbox"/> Other _____ |  |

**I. Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

None

2. Appliances:

Exhibit "8"



J. Status of Construction and Estimated Completion Date:

Construction is now in progress and work should be completed about July 15, 1987.

K. Project Phases:

The developer  has  has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed with the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit "9" contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated June 18, 1986

Exhibit "10" contains a summary of the pertinent provisions of the escrow agreement.

Other \_\_\_\_\_

**IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

**Buyer's Right to Cancel Sales Contract:**

**A. Rights Under the Condominium Statute:**

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
  - a. Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report;  
AND
  - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
  - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
  - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
  - c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

**B. Rights Under the Sales Contract:**

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other \_\_\_\_\_

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS and Hawaii Administrative Rules Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

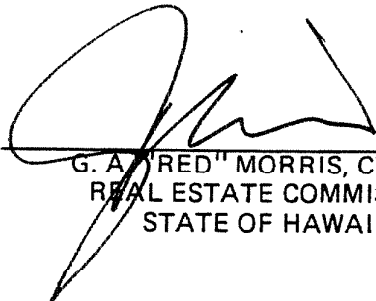
This Public Report is a part of Registration No. 1783 filed with the Real Estate Commission on August 7, 1986.

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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Supplementary Public Reports expire on the expiration date given on the front of the report.



G. A. "RED" MORRIS, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Bureau of Conveyances  
Department of Finance, City & County of Honolulu  
Planning Department, City & County of Honolulu  
Federal Housing Administration  
Escrow Agent

Exhibit "1"

Each Residential Unit consist of that portion of the building containing the Residential Unit which lies within the boundaries of the Residential Unit as shown on said Condominium Map, exclusive of any stairways, interior loadbearing walls and pillars, and any existing and future pipes, wires conduits, ducts, vents and other service and utility lines, spaces or equipment which are utilized for or serve more than one Residential Unit or the common areas. The Residential Unit shall be considered to include any door, window, or other closure therein, and the boundary shall be the unfinished surface of the walls on the side of the Residential Unit, to the effect that the Residential Unit shall include the paint, wallpaper, enamel, stain or other finishings on such surface. The respective Residential Units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceiling surrounding each Residential Unit or any pipes, wires, conduits or other utility or service lines, spaces or equipment running through such Residential Unit which are utilized for or serve more than one Residential Unit, the same being deemed common elements as hereinafter provided. Each Residential Unit shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, and all fixtures originally installed therein. The

horizontal boundaries of each Residential Unit shall be the unfinished surface of the top of the concrete floor and the unfinished surface of the bottom of the concrete ceiling. Where a Residential Unit consist in whole or in part of unenclosed space, the boundary defining such space is the boundary as shown on said Condominium Map.

END OF EXHIBIT "1"

EXHIBIT "2"

Alterations or additions within a Residential Unit or within a limited common element appurtenant to and for the exclusive use of a Residential Unit, or of certain Residential Units, shall require only the vote or consent thereto, by not less than seventy-five percent (75%) of the Residential Unit owner(s) whose Residential Unit(s) or limited common element(s) are being affected thereby, and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the Project as so altered, provided further, however, that in the event and to the extent the layout, location, description, or area of the Residential Unit or limited common element is changed from that described in this Declaration or as depicted on the Condominium Map, an amendment to this Declaration, or Condominium Map, or both, shall be duly executed and filed or recorded by the owner(s) of the Residential Unit(s) directly affected by such change (as determined by the Board of Directors).

Owners of Residential Units may construct and/or remove any non-loadbearing wall(s) and partition(s) located entirely within their Residential Unit. Owners of adjoining Residential Units may construct and/or remove any non-loadbearing party wall between such adjoining Residential Units. No vote or consent of any owners or the Association shall be required, except that the

owner(s) desiring to make such change(s) shall provide plans and specifications to the Association so the Association may approve it if it does not endanger any Residential Unit or common element, and provided that the owner(s) of any Residential Unit(s) so changed shall record with the Bureau of Conveyances the floor plan of such Residential Unit(s) as so modified. Owners who do any of the foregoing shall do so entirely at their own risk, cost and expense and shall be solely responsible for all permits, governmental approvals and other requirements of such construction and/or removal.

END OF EXHIBIT "2"



EXHIBIT "3"

One freehold estate is hereby designated in all portions of the Project, herein called the "common elements", and consisting of all parts of the property (including limited common elements) other than the Residential Units, including, without limitation, the following:

- A. The land submitted to the horizontal property regime;
- B. The foundations, pillars, columns, girders, beams, supports, main walls, load bearing walls, roofs, and floors;
- C. The hallways, walkways, stairs and stairways, ramps, driveways, roadways, parking areas and parking stalls;
- D. The electrical equipment, electrical room, elevator equipment and elevator equipment room on the Ground Floor;
- E. Entrances and exits to the building, foyers, and sidewalks adjacent to the building;
- F. Central and appurtenant installations for services such as power, light, hot and cold water, sewage, and like utilities;
- G. The roof and appurtenant installations;
- H. Yards, landscaping, exterior walls, private park, trash enclosure; and

- I. Parking stalls nos. 1, 2, 3, 20 and 23; and
- J. All other parts of the Property existing for the common use or necessary to the existence, maintenance, or safety of the building or the Project.

Parking stalls that are designated as common elements shall be controlled and dealt with by the Association of Apartment Owners as said Association shall in its discretion deem fit, for the benefit of all owners, including, without limitation, designating and using such parking stalls as "guest parking", renting said stalls to owners of units or others, and sale of said stalls to unit owners on a commercially reasonable basis.

END OF EXHIBIT "3"

EXHIBIT "4"

Certain parts of the common elements, herein called the "limited common elements", are hereby designated, reserved, and set aside for the exclusive use of certain Residential Units, and such Residential Units shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

Each Residential Unit shall have appurtenant thereto one or more parking stalls as shown on the said Condominium Map. The parking stalls which are limited common elements and the respective Residential Units to which they are appurtenant are as follows:

<u>Parking Stall No.</u>	<u>Apt. No.</u>
4	302
5	303
6	501
7	404
8	403
9	504
10	604
11	603
12	602
13	601
14	503
15	502
16	401
17	402
18	202
19	201
21	203
22	204
24	301
25	304

END OF EXHIBIT "4"

EXHIBIT "5"

Percentage of Undivided Interest in Common Elements.  
The percentage of undivided interest in the common elements appertaining to each Residential Unit is as follows:

<u>UNIT NUMBER</u>	<u>APPROXIMATE AREA</u>	<u>PERCENTAGE OF UNDIVIDED INTEREST IN COMMON ELEMENTS</u>
201	714 square feet	5.0%
202	714 square feet	5.0%
203	714 square feet	5.0%
204	714 square feet	5.0%
301	714 square feet	5.0%
302	714 square feet	5.0%
303	714 square feet	5.0%
304	714 square feet	5.0%
401	714 square feet	5.0%
402	714 square feet	5.0%
403	714 square feet	5.0%
404	714 square feet	5.0%
501	714 square feet	5.0%
502	714 square feet	5.0%
503	714 square feet	5.0%
504	714 square feet	5.0%
601	714 square feet	5.0%
602	714 square feet	5.0%
603	714 square feet	5.0%
604	714 square feet	5.0%
		<u>100.0%</u>

For purposes of voting on all matters requiring action by the owners and for purposes of allocation of common expenses, the above percentages shall govern.

The method or formula used in computing the percentage of common interest was to derive a fraction, the numerator of which was the square footage for each Residential Unit, the

denominator of which was the aggregate square footage for all Residential Units.

Provided, that in the case of parking stalls and other limited common elements, the cost of all utilities, maintenance, repairs and replacement and/or improvements to such parking stalls and other limited common elements and all costs associated therewith shall be charged to and assessed against the owners of the Residential Units to which they are appurtenant.

END OF EXHIBIT "5"

EXHIBIT "6"

**MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT**

**Mortgagor(s) : WCW Corporation, a Hawaii corporation**

**Mortgagee(s) : First Interstate Bank of Hawaii**

**Dated : February 13, 1986**

**Recorded in the Bureau of Conveyances in Book 19304, Page 499.**

**To Secure : \$280,000.00**

**FINANCING STATEMENT**

**Debtor(s) : WCW Corporation, a Hawaii corporation**

**Secured Party : First Interstate Bank of Hawaii**

**Recorded February 20, 1986 in the Bureau of Conveyances in Book 19304, Page 522**

REAL PROPERTY TAXES as may be due and owing. Check with the tax assessor for further information.

Declaration of Horizontal Property Regime, By-Laws and Condominium Map for KINAU REGENT, all as noted on page 7 of this Public Report.

EXHIBIT "7"

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
201	\$83.85	\$1,006.20
202	83.85	1,006.20
203	83.85	1,006.20
204	83.85	1,006.20
301	83.85	1,006.20
302	83.85	1,006.20
303	83.85	1,006.20
304	83.85	1,006.20
401	83.85	1,006.20
402	83.85	1,006.20
403	83.85	1,006.20
404	83.85	1,006.20
501	83.85	1,006.20
502	83.85	1,006.20
503	83.85	1,006.20
504	83.85	1,006.20
601	83.85	1,006.20
602	83.85	1,006.20
603	83.85	1,006.20
604	83.85	1,006.20

[ ] Revised on \_\_\_\_\_

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The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

common elements only

\$ 100

\$ 1,200

common elements  
and apartments

Gas

Refuse Collection

Telephone

82

984

Water and Sewer

260

3,120

Maintenance, Repairs and Supplies

Building and  
Grounds

265

3,180

Management

Management Fee

300

3,600

Payroll and Payroll Taxes

415

4,980

Office Expenses

Insurance

245

2,940

Reserves

Taxes and Government Assessments

10

120

Other

TOTAL

\$1,677

\$20,124

I/We, Wellington Wong, as <sup>developer</sup> ~~Managing Agent~~ for the condominium, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Wellington Wong  
Date: 8/14/86



EXHIBIT "8"

The Seller shall attempt to assign to the purchaser, if allowed, any manufacturer's or dealer's warranties, if any, covering any appliances, furnishings or fixtures installed in the unit for the unexpired portion of such warranties.

Buyer expressly acknowledges and agrees that the Seller does not adopt the contractor's or manufacturer's warranties, if any, hereinbefore discussed, and the Seller is not acting as co-warrantor, but is merely attempting to pass-through to the Buyer the benefit of such warranties, if any.

At Seller's option, an inspection program may be instituted and, if so, Buyer agrees to inspect Buyer's Unit on a date and at a time to be specified by Seller and upon completion of such inspection, to sign an inspection sheet to be furnished by Seller which shall list all defects or damages, if any. Buyer will be deemed to have waived all rights of inspection and correction of defects or damages if Buyer fails to inspect Buyer's unit on the date and time specified by Seller such waiver shall not in any way affect or reduce Buyer's obligations under this Sales Contract.

EXHIBIT "9"

SUMMARY OF  
SALES CONTRACT  
KINAU REGENT

1. Interest on Deposits: All interest received by Seller and/or Escrow on Buyer's deposits shall become the sole property of the Seller, and Buyer and Seller hereby jointly so instruct Escrow pursuant to the provisions of Sections 402-8 and 449-16.5 of the Hawaii Revised Statutes.
2. Additional Sum Due at Closing: \$ \_\_\_\_\_, being an estimated amount due at closing, is a contribution for common expenses reserve, closing costs and other expenses connected with closing. Note: This amount together with closing costs, escrow fees and any other amounts required under any other Section of this contract, is in addition to, and is not part of, the total purchase price.
3. No Warranties: Seller makes no warranties, express or implied, with respect to the apartment unit, consumer products, appliances or fixtures, the project or anything installed therein, including but not limited to any implied warranty of merchantability, habitability, workmanlike construction, design, or fitness for a particular purpose, except only as set forth on the developer's disclosure abstract on this project, receipt of which buyer acknowledges.
4. No Rentals: Neither Seller nor any of its representative has made any representation or reference as to the rental of the unit, income from the unit or any other economic benefit to be derived from the rental of the unit, including, but not limited to, any reference or representation to the effect that Seller or the Managing Agent of the project will provide, directly or indirectly, any services relating to the rental of the unit. Rental or other disposition of the unit and provisions of management services in connection therewith is and shall be the sole responsibility of the Buyer.
5. Financing: If Buyer requires permanent financing, Buyer shall, after the date of acceptance of the contract by Seller, submit Buyer's application for a mortgage loan from a lender of Buyer's choice and shall sign and deliver all appropriate documents and diligently take all steps necessary in connection therewith, time being considered to be of the

essence. An executed copy of any mortgage commitment obtained by Buyer from any lender shall be immediately delivered to Seller or its designee.

6. Time Of Essence-Buyer's Default: Time is of the essence of the obligations of Buyer under the Agreement and if Buyer shall default in making any payment when required, or fail to perform any other obligation required of Buyer hereunder, and Seller shall notify Buyer by delivery personally or by registered mail of such default and if such default shall not be cured within ten (10) days after receipt or, in the case of notice by mail, after the date of deposit of such notice in the United States mails, the Sales Contract may, at Seller's option, be terminated by written notice to Buyer, Seller may obtain damages caused by the default, and enforce all other legal and equitable rights.
7. Closing Date: The Closing Date is the date on which Seller is ready to deliver the signed Unit Deed and keys to the Unit and on which the Buyer must pay the balance of the Purchase Price and the Additional Sums Due at closing. Seller shall notify Buyer of the Closing Date in writing at least fifteen (15) days before the Closing Date.
8. Assignment: Buyer's interest in this contract may not be transferred or assigned, except with the prior written consent of Seller. Consent may be withheld at the sole discretion of Seller. Seller is free to transfer and assign its interest in this contract without necessity of any consent, and, in such event, Buyer shall attorn to, and perform this Sales Contract in favor of, such assignee or transferee.
9. Reserved Rights: The proposed Declaration for the Project will contain reservations of certain rights and certain other conditions under which Buyer consents to (a) the granting, reserving or adjustment of easements for common or public purposes, and (b) the recording of amendments to the Declaration for necessary and appropriate items, including without limitation, "as built" certification if any, and validly adopted modifications to the By-Laws and House Rules.
10. Authority of Seller: Seller reserves the right, as the present owner of the Units and common interests of the Project, the sale of which has not yet closed, to exercise all powers of the Association of Apartment Owners (the "Association") and the Board and officers of the Association, including voting, until the election of a Board at the first annual meeting of the Association.

11. Sellers' Rescission Rights: If Seller shall reasonably determine that the development of the Project is not feasible (economically, legally, or for any other reason) Seller may cancel this contract in writing, in which event Seller shall refund all deposits and down payments actually received to that date.

EXHIBIT "10"

SUMMARY OF ESCROW AGREEMENT

1. Payments of Funds to Escrow. As and when Seller shall enter into a sales contract for the sale of a condominium unit in the project, Seller shall require the payments due thereunder to be made to Escrow and shall deliver an executed copy of the sales contract to Escrow, together with the address of the purchaser.

2. Receipt of Funds by Escrow. Escrow shall receive and hold in escrow and disburse as herein set forth (a) all payments received by it under any contract of sale made by Seller, (b) such sums received by it hereunder from Seller, and (c) all sums received by it from any other source in connection with the condominium unit. Escrow shall give notice in writing to the purchaser and shall call for such payment to be made to Escrow.

3. Refunds to Purchasers. The purchaser shall be entitled to a refund of his or her funds, less a reasonable cancellation fee and costs associated with the purchase, not to exceed \$250.00, and Escrow shall pay the funds to the purchaser, without interest, if purchaser requests in writing refund of his or her funds, provided, one of the following has occurred:

(a) Seller has requested Escrow in writing to return to purchaser the funds of purchaser then being held hereunder by Escrow; or

(b) Purchaser's entitlement to a refund pursuant to Hawaii Revised Statutes Section 514A-62, 514A-63 or 514A-65 is established to the satisfaction of Escrow.

Upon refund of the funds to purchaser as aforesaid, Escrow shall return to Seller purchaser's sales contract and any conveyancing documents theretofore delivered to Escrow, and the documents shall be deemed no longer held hereunder.

4. Requirements Prior to Disbursement of Purchaser's Funds. No disbursement shall be made to Seller of any funds deposited by the purchaser until:

(a) The purchaser's sales contract "has become effective", and the requirements of Sections 514A-39 and 63 of the Hawaii Revised Statutes, as amended, have been met; and

(b) A Final Public Report has been issued by the Real Estate Commission concerning this project.

5. Disbursements for Construction Costs. However, notwithstanding Paragraph 4 hereof, disbursements from the Escrow fund shall be made by Escrow from time to time to pay for construction costs of the project (in accordance with bills submitted which have been approved or certified for payment by the mortgagee, if any, which has advanced funds to pay for any of the construction costs, or a financially disinterested person).

6. Purchaser's Default. If at any time after the purchaser's funds become disbursable according to the provisions of this Agreement, Seller shall certify in writing to Escrow that the purchaser has defaulted under the terms of his or her sales contract, Escrow shall thereafter treat all funds of such purchaser paid on account of the sales contract as funds of Seller and not as funds of such purchaser, shall disburse said funds as instructed by Seller, and shall return to Seller the sales contract of such purchaser and any other documents theretofore delivered to Escrow, and the sales contract shall be deemed no longer held hereunder.

7. Compensation of Escrow. The compensation of Escrow for acting hereunder shall be \$225.00 for each condominium unit payable upon recordation of the document of conveyance of the unit to the purchaser thereof.

8. No Minimum Closing. There are no guaranteed sales or closings promised to Escrow. The agreement may be terminated by either party on 30 days written notice, except for any escrow account opened to that date. On termination, such escrow accounts shall be processed to completion or, if sales on preliminary report, until such sales are cancelled, lapses or does not become enforceable within one year of commencement of the account, or, at Seller's option, such escrow accounts may be transferred to another escrow upon payment by Seller to Escrow of a fee of \$25.00 per each escrow account remaining open.